



The Energy Consortium

*A non-profit Association
of Industrial, Commercial, Institutional and Governmental Energy Users*

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November 25, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
Commonwealth of Massachusetts
One South Station, 2nd Floor
Boston, MA 02110

**Re: Massachusetts Electric Company (MECo) and Nantucket Electric Company Default
Service Adjustment Provision Tariff, M.D.T.E. No. 1062-B**

Dear Ms. Cottrell:

TEC is a non-profit association of large commercial, industrial, institutional and governmental energy users in Massachusetts concerned with energy regulatory matters for over 31 years. It advocates positions that promote responsible energy consumption and reliable energy delivery at cost based rates for its members and all Massachusetts ratepayers. TEC has been a participant in electrical regulatory matters and its members will be substantially and specifically affected by the proposed tariff adjustment.

TEC believes that it is important for the Department to review the wording of the MECo proposed tariff adjustment. Customers that purchase electricity separately from the utility will be subsidizing Default Service customers into perpetuity. This inappropriate cost burden will fall heavily on C&I customers. Moreover, customers that purchase competitive power supply will be paying for renewable services, etc. at least twice. Future adjustments under this tariff

recommendation will only increase under the current thinking that residential and small C&I customers will continue to use Default Service supply in high volumes offered by MEdCo.

Specifically, TEC strongly suggests that the wording of the second paragraph of M.D.T.E. 1062-B be revised as follows:

“On an annual basis, the Company shall reconcile its total cost of providing Default Service supply against its Default Service revenue and the excess or deficiency shall be refunded to or collected individually from (on a per kWh past consumed basis) those who were served with Default Service over the period reconciled during the following (up to) 12 month period with those customers paying or receiving interest on the funds as the case may be.”

The Company can easily determine the Default Service customers and allocate the appropriate adjustments. This is not a difficult software program. It is ridiculous that all customers should be responsible for the undercharging of Standard Offer (SOS) and Default Service (DS). Conversely, not all customers should get a rebate if SOS and DS customers are overcharged for these services. Fairness must be a result!

TEC continues to be concerned about its members who are far from fully utilizing the capacity of their Massachusetts facilities yet building new facilities in the Northeast Region and elsewhere. They are moving production and services away primarily due to the cost of doing business in this state – with energy cost and fairness being an important part of their decision.

Respectfully submitted,



Roger Borghesani, Chairman

The Energy Consortium

Cc: Jeanne Voveris, Senior Council

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